

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

RULES – The Andhra Pradesh Distillery (Manufacture of Indian made foreign liquor other than Beer and Wine) Rules, 2006 – Amendments – Orders – Issued.

REVENUE (EXCISE.III) DEPARTMENT

G.O.Ms.No. 1051

Dated:21-08-2008

Read the following :-

1. G.O.Ms.No.90, Revenue (Ex.III) Department, dated 27.01.2007.
2. From the Commissioner of Prohibition and Excise, Cr.No.1095/2008/B2/DDB., dated 16.05.2008.

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ORDER :-

The following notification will be published in the Extra-ordinary issue of the Andhra Pradesh Gazette, dated the 23rd August, 2008.

NOTIFICATION

In exercise of the powers conferred by section 72 read with sections 16,17,18,21,22,23,28 and 29 of the Andhra Pradesh Excise Act, 1968 (Act No.17 of 1968), the Governor of Andhra Pradesh hereby makes the following amendments to the Andhra Pradesh Distillery (Manufacture of Indian made foreign liquor other than Beer and Wine) Rules, 2006 issued in G.O.Ms.No.90, Revenue (Ex.III) Department, dated the 27th January, 2007 and published in Andhra Pradesh Gazette, Rules Supplement to Part-I Extraordinary, dated the 29th January, 2007 and as subsequently amended from time to time.

AMENDMENTS

In the said rules, -

I. In rule 5(2), -

(a) in clause (b), under sub-clause (i), for the table, the following table shall be substituted, namely:-

TABLE

Annual Production capacity of the proposed manufactory (1)	Non-refundable and non-adjustable fee (in respect of new manufactory) (2)	Non-refundable and non-adjustable fee (in respect of expansion of an existing manufactory) (3)
Up to 10 Lakh Proof Litres	Not applicable	Rs.1.4 Crores
Every additional slab of 10 Lakh Proof Litres up to 40 Lakh Proof Litres.	Not applicable	Rs.1.4 Crores
50 Lakh Proof Litres.	Rs.7 Crores	Rs.7 Crores
Above 50 Lakh Proof Litres and up to 100 Lakh Proof Litres.	Rs.10 Crores	Rs.10 Crores
Above 100 Lakh Proof Litres.	Rs.12 Crores	Rs.12 Crores

(b) in clause (b) under sub-clause (ii), for the table, the following table shall be substituted, namely:-

TABLE

Annual Production capacity of the proposed manufactory (1)	Special fee (in respect of new manufactory) (2)	Special fee (in respect of expansion of an existing manufactory) (3)
Up to 10 Lakh Proof Litres	Not applicable	Rs.0.6 Crores
Every additional slab of 10 Lakh Proof Litres up to 40 Lakh Proof Litres.	Not applicable	Rs.0.6 Crores
50 Lakh Proof Litres	Rs.3 Crores	Rs.3 Crores
Above 50 Lakh Proof Litres and up to 100 Lakh Proof Litres	Rs.5 Crores	Rs.5 Crores
Above 100 Lakh Proof litres	Rs.6 Crores	Rs.6 Crores

(c) in clause (b), after clauses (i) and (ii), the following proviso shall be inserted, namely :-

“Provided that the non-refundable and non-adjustable fee as well as the special fee may be paid in six equal half yearly installments in the case of new manufactories and four equal half yearly installments in case of expansion of the production capacities of existing manufactories respectively within the validity period of the Letter of Intent”.

(d) for clauses (c) and (g), the following clauses shall be substituted respectively, namely :-

“(c):When the Government are satisfied of the proposed scheme, they may accord the sanction and communicate it in the form of Letter of Intent in form-DM(S). This Letter of Intent shall be valid for three years in the case of a new manufactory and two years in the case of expansion of an existing manufactory, from the date of issue”.

“(g):If the holder of Letter of Intent and licence fails to commence production within three years from the date of issue of Letter of Intent in the case of a new manufactory and two years in the case of expansion of an existing manufactory, he forfeits his right over Letter of Intent and on the licence”.

II. in rule 6,-

(a) after sub-rule (3), the following provisos shall be inserted, namely:-

“Provided that in the case of licence for new manufactory, the licensee shall furnish a bank guarantee valid for 3 years from the date of grant of Letter of Intent from any Scheduled Bank situated in Andhra Pradesh as a security for a sum equal to the remaining 5 half yearly instalments of non-refundable and non-adjustable fee as well as special fee:

Provided further that in the case of licence for expansion of the production capacity of an existing manufactory in a phased manner, the licensee shall furnish a bank guarantee valid for 2 years from the date of grant of Letter of Intent from any Scheduled Bank situated in Andhra Pradesh as a security for a sum equal to the remaining 3 half yearly instalments of non-refundable and non-adjustable fee as well as special fee”.

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(b) In sub-rule (4), for clause (c), the following clause shall be substituted, namely :-

“(c). Where the Commissioner is satisfied that the applicant for expansion of production capacity of an existing manufactory has fulfilled the conditions specified in sub-rules (1) to (3) above, he may endorse the sanction of expansion on the existing licence by permitting the licensee to go for the expansion in a phased manner as required by the licensee within the period of validity of Letter of Intent”.

III. In rule 8,-

(a) in sub-rule (3), the third proviso shall be omitted.

(b) for sub rule (4), the following shall be substituted, namely:-

“(4)(a): An applicant for grant of Letter of Intent for expansion of existing production capacity may opt to expand in one go or in half yearly phases. In case he opts for expanding in half yearly phases, he shall indicate in form DM1 the proposed increase in half yearly phases according to which he proposes to expand within the validity period of Letter of Intent;

(b) Letter of Intent shall be issued for expansion of the existing production capacity on payment of the non-adjustable and non-refundable fee and the special fee in one lumpsum or the payment of first instalment as the case may be;

(c) In case of applicants who opted for expanding in half yearly phases the expanded production capacity sought for and as approved in the Letter of Intent shall be added to the licensed capacity irrespective of commencement of such additional production and the respective instalments of non-adjustable and non-refundable fee, special fee and enhanced licence fee as applicable, shall be payable accordingly;

(d) In case of applicants who opted to pay the Non-adjustable and Non-refundable fee and Special Fee in one lumpsum, the enhanced licence fee proportionate to the expanded capacity shall be payable as and when commercial production takes effect during the validity period of the Letter of Intent”.

IV. In Form DM(1),-

(a) in serial No.3 for item (2), the following shall be substituted, namely :-

“(2). Whether it is expansion of existing distillery? If so

(i) Existing licence held by the applicant.

(ii) Nature of activity.

(iii) Existing production capacity.

(iv) Production capacity proposed to be increased

(v) Production capacity proposed to be increased in a phased manner during the validity period of L.O.I.

(a) during the first half of the first year.

(b) during the second half of the first year.

(c) during the first half of the second year.

(d) during the second half of the second year”.

(b) in serial No.5 for opening portion, the following shall be substituted, namely :-

“Whether the applicant has remitted the non-refundable and non-adjustable fee and special fee as specified in rule 5 (2) (b) (i) and (ii) in lumpsum or the first of the 6 or 4 equal half yearly instalments as the case may be”.

V. In Form DM(S), for paras (1) and (3), the following paras shall respectively be substituted, namely :-

“1. In response to the notification issued in the reference 1st cited, Sri / M/s. _____ has / have submitted an application in the reference 2nd cited for sanction of the Government for establishment and working of a IMFL Manufactory or expand the production capacity of the existing unit as required under Rule 5 (2) (a) of the Andhra Pradesh Distillery (Manufacture of Indian Made Foreign Liquors other than Beer and Wine) Rules, 2006 for manufacture of Indian Made Foreign Liquors utilizing ENA derived from *Molasses / *Grains / *both molasses and grains/ *or from ENA derived from any other fermentative base (*mention the name of the fermentative base*). The applicant proposes to establish the unit or expand the production capacity of the unit or expand the production capacity in a phased manner at _____ of _____ District of Andhra Pradesh.

3. The Government have examined the request of the applicant and the recommendations of the Commissioner. The Government hereby accord sanction for constructions and work a manufactory or expansion of the production capacity of the existing unit or expand the production capacity in a phased manner under Rule 5(2)(c) of the Andhra Pradesh Distillery (Manufacture of Indian Made Foreign Liquors other than Beer and Wine) Rules, 2006 subject to the following conditions:

(a) The IMFL shall be manufactured with ENA derived from *Molasses / *Grain/ *or both/or from any other fermentative base only.

(b) The quantity permitted for manufacture or for expansion per annum shall be ____ Lakh Proof Litres only. Or the quantity permitted under the expansion of the production capacity in a phased manner shall be as follows :-

(a) during the first half of the first year Lakh Proof litres.

(b) during the second half of the first year.....Lakh Proof litres.

(c) during the first half of the second year...Lakh Proof litres.

(d) during the second half of the second year..... Lakh Proof litres.

(c) This sanction is accorded without any commitment for allowing import of any machinery or supply of raw materials.

(d) This Letter of Intent is valid for a period of three years in case of new manufactories and two years in the case of expansion of existing manufactories from the date of issue, subject to the condition that the holder shall obtain a licence from the Commissioner of Prohibition and Excise within six months duly fulfilling the formalities as required under the A.P. Distillery (Manufacture of Indian Made Foreign Liquors other than Beer and Wine) Rules, 2006.

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(e) The holder of this Letter of Intent shall fulfill the formalities laid down in the Andhra Pradesh Distillery (Manufacture of Indian Made Foreign Liquors other than Beer and Wine) Rules, 2006.

(f) This Letter of Intent shall not, however confer any right or privilege for the grant of licence and is liable to be cancelled or withdrawn at any time and in such an event, no compensation or damages whatever shall be payable”.

VI. In Form DM(1)(A), for paras (1) and (2), the following shall be substituted, before the list of documents listed at Sl.Nos.1 to 9, namely :-

“Kindly peruse the reference cited wherein the Government of Andhra Pradesh accorded sanction for establishment of a manufactory of Indian Made Foreign Liquors utilizing Extra Neutral Alcohol derived from *Molasses / *Grains / *both / *any other fermentative base (*mention the name of the fermentative base*)/ or expansion of production capacity of existing manufactory or expansion of a existing manufactory in a phased manner at _____ .

As per the orders of the Government as contemplated in the Letter of Intent, we are approaching your good self with the following necessary documents with a request to grant of a new licence or accord sanction for expansion of production capacity of existing manufactory or expansion of a existing manufactory in a phased manner at _____ under the Andhra Pradesh Distillery (Manufacture of Indian Made Foreign Liquors other than Beer and Wine) Rules, 2006”.

VII. In Form DM-I(C), for Sl.No.3, the following shall be substituted, namely :-

“3. The licensee shall keep intact a security deposit of Rs.10 Lakhs as laid down in rule 6(3) for due performance of this agreement.

In addition, in the case of new manufactory the holder of Letter of Intent and in the case of expansion of the production capacity of existing manufactory the licensee shall keep intact the security in the form of bank guarantee during the period of validity of Letter of Intent as laid down in the proviso to rule 6(3)”.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**G.SUDHIR
PRINCIPAL SECRETARY TO GOVERNMENT**

To
The Commissioner of Printing, Stationery and Stores Purchase (Ptg.Wing)
Dept., Hyderabad. (He is requested to furnish 800 copies to Govt.,
and 200 copies to Commissioner of Prohibition and Excise and
50 copies to Commissioner of Information and Public Relations).

Copy to :-

The Commissioner of Prohibition & Excise, A.P., Hyderabad.
The P.S. to Principal Secretary to Chief Minister.
The O.S.D. to Minister for Prohibition & Excise.
The Law (E) Department.
Sf/Scs.

//Forwarded//By Order//

SECTION OFFICER.